GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Servant – Higher Education Department - Criminal breach of trust and embezzlement funds of University - Allegation levelled against Prof.K.Krishna Naik,**(A.2)** the then Vice Chancellor of Rayalaseema University, Kurnool and now retired from service as Professor, Department of History, S.K. University, Ananthapuramu on 30.04.2022 – Request to Issue Sanction of prosecution orders under **197 Cr.P.C** - Permission accorded - Orders– Issued.

HIGHER EDUCATION DEPARTMENT

G.O.Ms.No. 46 Dated:13.08.2023

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O R D E R:

Prof. K. Krishna Naik, age 62 years, s/o K.Bheemla Naik, the then Vice Chancellor of Rayalaseema University, Kurnool. (Now retired), R/o D.No.28-3-405, 2nd main, Sharada Nagar, JNTU College road, Ananathapuram town, previously worked as Vice Chancellor in Rayalaseema University, Kurnool from 10.11.2011 to 09.11.2014 and now retired from service as Professor, Department of History, S.K. University, Ananthapuramu on 30.04.2022. The alleged offence took place while he was working as Vice Chancellor in Rayalaseema University, Kurnool. By virtue of the post held by him, comes under the category of Public Servant **Under Sec. 197 Cr.P.C**.

2. The brief facts of the case are that the accused / University authorities executed various civil works and made purchases. An enquiry was conducted by the Vigilance and Enforcement and submitted their required report to the Government of A.P alleging that there was misappropriation and embelzzment of the funds of the University, loss of stock, irregularities committed in execution of civil works without made preparations, estimates, agreements, departmental norms were not followed in purchase of various items by the Rayalaseema University authorities, Kurnool during the years 2008-2012. After considering the report, the Government has entrusted the case to CBCID vide GO Rt.No.73 Higher Education (VC) Department, dated.01.04.2016 to trace out the 197 missing vouchers worth Rs.1,39,29,972/- and missing furniture worth Rs.7,70,652/- to detect the total misappropriated / embezzlement of University funds.

3. Whereas, in G.O.Rt.No.73 Higher Education (VC) Department dated 01.04.2016 was entrusted this case to Additional Director General of Police, CBCID, Hyderabad and requested to take immediate action in the matter. On that, Sri T.V.Krishna Murthy, Deputy Director & Nodal Officer, A.P., State Council of Higher Education, Tadepalli, Guntur District, AP, was registered case on 01.11.2017 under **Cr.No.09/2017u/s 409, 379 IPC r/w 34 IPC** of CID, PS, Mangalagiri against A.1 J.V.Prabhakar Rao, A.2 K.Krishna Naik the then Vice Chancellors, A.3 N.T.K.Naik the then Registrar and A.4 M.V.Narayanappa, the then Office Superintendent who are responsible for misappropriated / embezzlement of University funds by utilizing their official capacity during the tenure from 2008 to 2012 in Rayalaseema University, Kurnool.

4. During the course of investigation, the IOs were secured 13 witnesses, examined the recorded, their statements about the offence. On 08.12.2017, Inquiry Officer of Sri D.Somanna IOP, CID, RO, Kurnool has seized 189 vouchers out of 197 vouchers under the cover of the Punchanama in presence of two mediators at Rayalaseema University, Kurnool and also visited Rayalaseema University, Kurnool on 25.01.2018 examined witnesses, trace out the missing furniture as stated in the complainant seized under cover of Punchanama in the presence of two mediators and same was handed over to

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Registrar of the University for safe custody under proper acknowledgment. On 22.01.2019, Inquiry Officer of Sri E.Nagendrudu, DSP, CID, RO, Kurnool has received remaining 8 missing vouchers from Asst., Registrar, Rayalaseema University, Kurnool for the purpose of investigation, who remarked and stated in the Vigilance report that said to be missing and not handed over during the enquiry by the V & E officials.

5. As per the statements of the witnesses, under AP Financial Code rules, existing GOs, collected the documents by Joint Director of Higher Education, AP and the information given by Regional Deputy Director, State Audit, Kurnool with regard to explain the legality on the following correct procedure and in order to establish the guilty of the offence in the case. The Rayalaseema University Authorities failed to submit the records of 197 vouchers pertaining to civil works, purchases, costing Rs.1,39,29,972/- at the time of conducting enquiry by the V & E Officials. It can be also observed the signatures of the quotation holders are the same similar of draft, font size and the unit rate is indicated in ink in the vouchers 25, 26, 27, 28, 175, 451 and in all quotations are to be indicates that same person was prepared and submitted. It indicates that the negligent in improper checking/ verification at the time of perusal by A.1 & A.2 and made recommendations and passed the vouchers and paid huge amounts to the quotation holders/ supplies. On perusal of the 197 vouchers of the works conducted, purchased by the Rayalaseema University during the years 2008 – 2012, it is clearly found/identified the major lapses and committed irregularities while they conducting procedure, making preparation, correspondence on the vouchers and without following correct procedure they have passed and recommended for payment to the contractors/ agencies /suppliers by the A.1 to A.4.

6. The then Vice Chancellors Prof. J.V.Prabhakar Rao (A.1), Prof.K.Krishna Naik (A.2), the then Registrar N.T.K.Naik (A.3) and Office Superintendent M.V.Narayanappa (A.4) have made preparation the note file and recommended for payment without observing correct procedure in 26 civil works vouchers (Nos. 141, 555, 26, 25, 46, 27, 28, 15, 5, 18, 14, 4, 16, 42, 47, 69, 42, 172, 173, 286, 175, 461, 451, 458, 518). Except in Voucher Nos. 46, 69 there is no Vice Chancellors signature of anyone and somebody has signed on note order and recommended payment by A.2 & A.4. The Voucher No.32 was prepared and passed the bill for payment by A.2 Krishna Naik, A.3 N.T.K. Naik and A.4 M.V.Narayanappa.

7. During, the course of enquiry conducted by the Vigilance & Enforce Officers, Kurnool A1 to A4 were examined and recorded their statements they have voluntarily admitted that due to lack of knowledge violated the codal procedure made lapses and they were executed the civil works, made purchases and other items covered in 197 vouchers by them during the years 2008 – 2012. Especially in 35 **minor civil works** they have violated the norms and codal procedure, awarded the works without verifying proper procedure and obtaining approvals from the M & DC, made payments of the huge amounts. Thus, thereby the University made embezzlement of the funds which are collected from the students to be utilized the developments of the University were misappropriated through adopting improper ways and caused loss to the funds of University a tune of Rs.1,39,29,972/- covered in 197 vouchers of the University by A1 to A4, who were the public servants during the years from 2008 to 2012 in the Rayalaseema University, Kurnool.

8. Whereas, the Audit Officer of the CID, A.P, Mangalagiri has conducted audit on 07.02.2018 & 08.02.2018 perused and verified on the accounts/records, vouchers of Rayalaseema University, Kurnool from 2009 – 10 to 2010 – 11. The Audit Officer, CID has furnished a report and noted his remarks against Civil works that in Voucher No.46 dt.8.11.2011, V.No.50, dt.20.08.2011 & V.No.453 dt.17.01.2011, in these vouchers and as per para No.99 of A.P. PWD Code read with Article 157 (a) of AP Financial Code Vol.I all the works costing more than Rs.2,500/- have to be under taken after preparation of

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detailed estimate and technical sanction. But in the present case it was not done. It is violation of rules. Accordingly, in voucher numbers 175, dt.08.11.2010, Vr.No.152, dated:13.08.2010 & Vr.No.268, dated: 09.10.2011 (wrongly noted as 28 Dated:09.10.2011). In the case of purchase of Stores and Stationery, as per instruction 9 read with instruction 11 under Article 125 of AP Financial Code Vol.I as amended vide G.O.Ms.No.489, Finance (TFR.1) Dept., dt.08.12.2008, "Limited Tender System" should be adopted when the order for purchase of stores is more than Rs.10,000/-, but less than Rs.5 lakhs. As the expenditure incurred under this head in the present case is more than Rs.10,000/-, the Competent Authority should have called for Limited Tenders, which was not done. This is Violation of Rules. But as per stated by the University there is no specific rules or guidelines framed for Rayalaseema University, Kurnool in purchasing of stores, stationary in at present which method is adopting by calling 3 quotations. Especially following its parent University Sri Krishnadevaraya University, Anantapuram in all matters of purchasing of stores, stationery, books and computers as well as conducting in Civil works by the Rayalaseema University, Kurnool.

9. Whereas, the Joint Director of Higher Education, Tadepalli, Guntur and Regional Deputy Director, State Audit, Kurnool as also pointed out against the irregularities, violation of the codal procedure while execution of Civil works, purchase of books, computers and other items and conducting of the examinations committed by the Rayalaseema University, Kurnool.

10. According to the **Article 123(4) of AP Financial Code** in case of emergency, the head of the departments with the prior approval of the stores purchase committee or the Government in the concerned Secretariat Department in consultation of the industries department will make direct purchase to an unlimited extent subject to the revision in the budget. (Memo No.12285/608/Accts.163-2, dt.21.05.1963). According to the **Article 100 of AP Financial Code**, the statement of probable cost shall be furnished for obtaining necessary administrative approval.

a. The University has not placed the expenditure which exceeds of Rs.1 lakh to the Executive council. Hence the total expenditure was incurred with the approval of the V.C without notice of Executive Council.

b. In respect of inviting single quotation, as per the rules prescribed by the Govt. the University shall call more than three quotations where the expenditure is more than Rs.5,000/-. Whereas, the University made purchases based one quotation and defeated the spirit of attractive competitive rates for purchase of the item.

11. Whereas, in case in civil works called single quotation, no approval of purchase committee, no cost estimation on execution of work and not maintained in M-books in voucher Nos.15, 25 to 28, 352, 119, 11, 141, 555, 32, 69, 42, 286, 14, & 27 are the taken up by the University against the **GO Ms No.489, Finance (TFR.I) Department, dt.08.12.2008**. As on observations as stated above, there is a prima facie, it is a clearly violation of procedure of administration sanction of the University. **Hence the persons who involved in the process of the file are held responsible and accountable as per the Financial Property of Article 5 of AP Financial Code.**

12. Whereas, the Regional Deputy Director, State Audit, Zone-IV, Kurnool was stated vide in Lr.Roc No.208/A1/2022, dt.23.07.2022 that which is the quotation system is being adopting in minor civil works by the University is not correct, as per para **No.293 of AP Public Work Account Code** if any execution of minor civil works worth below Rs.25,000/- through daily labours along with muster rolls. Then any execution of minor civil works worth above Rs.25,000/- through M-Books only. Further, he has stated that the limited tender system mentioned in **GO Ms No.489, Finance (TFR.I) Department,**

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dt.08.12.2008 and is being following the procedure of quotation system in the University both are not same. Also stated that the G.O Ms No. 489is applicable to the Rayalaseema University for following the rules from time to time extend **1. G.O Ms No.258, Finance (TFR) dt.20.09.2013, 2. G.O Ms No.2 Finance (W&P-F7) dt.03.02.2014, 3. G.O Ms No.40, Finance (TFR) dt.14.02.2014**.

13. As per the service particulars of Prof.K.Krishna Naik, age 62 years S/o K.Bheemla Naik R/o D.No.28-3-405, 2nd main, Sharada Nagar, JNTU College Road, Ananthapuram town he worked as Vice-Chancellor in Rayalaseema University, Kurnool from 10.11.2011 to 09.11.2014,while he was working as Vice- Chancellor in Rayalaseema University involved in misappropriation and embelzzment of the funds of the University, loss of stock, irregularities in execution of civil works without made preparations, estimates, agreements, department norms were not followed in purchase of various items.

14. Whereas the said acts done by Prof. K. Krishna Naik, age 62 years S/o K.Bheemla Naik R/o D.No.28-3-405, 2nd main, Sharada Nagar, JNTU College Road, Ananthapuram town while working as Vice-Chancellor in Rayalaseema University, Kurnool from 10.11.2011 to 09.11.2014 and now retired from service as Professor, Department of History, S.K. University, Ananthapuramu on 30.04.2022 constitute the offences punishable U/s 409, 406 r/w 34 IPC.

15. And whereas the Government of Andhra Pradesh being the competent Authority to remove Prof.K.Krishna Naik, age 62 years S/o K.Bheemla Naik R/o D.No.28-3-405, 2nd main, Sharada Nagar, JNTU College Road, Ananthapuram town who worked as Vice-Chancellor in Rayalaseema University, Kurnool from 10.11.2011 to 09.11.2014 and now retired from service as Professor, Department of History, S.K. University, Ananthapuramu on 30.04.2022, after fully and carefully examining the material placed before them i.e., seized Mahazar's of accused and having regard to the facts and circumstances of the case, so consider the case facts of Prof.K.Krishna Naik (A2), age 62 years S/o K.Bheemla Naik R/o D.No.28-3-405, 2nd main, Sharada Nagar, JNTU College Road, Ananthapuram town the then Vice-Chancellor of Rayalaseema University, Kurnool from 10.11.2011 to 09.11.2014 and now retired as Professor, Department of History, S.K. University, Ananthapuramu on 30.04.2022 should be prosecuted in the court of law in the interest of the Justice.

16. Now, therefore, in exercise of the powers conferred under **sections 197 Cr.P.C**, the Government of Andhra Pradesh hereby accord sanction orders for prosecution of the said Professor K. Krishna Naik (A.2) the then Vice Chancellor Rayalaseema University, Kurnool and now retired as Professor, Department of History, S.K. University, Ananthapuramu on 30.04.2022 for the aforesaid offences punishable U/s 409, 406 r/w 34 IPC, and for any other cognate offences punishable under any other provisions of law for the time being in force in respect of the afore said acts and for taking cognizance of the offence by a court of competent jurisdiction.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J SYAMALA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Additional Director General of Police,
Crime Investigation Department,A.P. DGP Head Quarters,
Mangalagiri,Guntur District, A.P.-522503.